

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: Pittsfield Retirement Board

FROM: John W. Parsons, Esq., Executive Director

RE: Approval of Funding Schedule

DATE: July 30, 2021

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on October 1 of each fiscal year. The schedule is effective in FY22 (since the amount under the prior schedule was maintained in FY22) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.25% to 7.0% and reflects a slight revision to the mortality assumption.

Although we are approving the schedule, we would have preferred the Board adopt a schedule that completes the amortization of the unfunded actuarial liability (UAL) by FY35. With this schedule, the System has limited flexibility in the event of a market downturn, future actuarial losses, or changes in assumptions or plan provisions that increase the plan's liability. We are available to discuss this issue further and will work with you on this in the next actuarial valuation.

If you have any questions, please contact PERAC's Actuary, John Boorack, at (617) 666-4446, extension 935.

JWP/jfb

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Enc.



Pittsfield Retirement System January 1, 2021 Actuarial Valuation

Total appropriation increases 5.2% per year until FY36 with a final amortization payment in FY37

<u>Fiscal Year</u>	<u>Normal Cost</u>	<u>Net 3(8)(c)</u>	<u>Amort. of UAL</u>	<u>Total Cost</u>	<u>Unfunded Act Liab.</u>	<u>Increase in Total Cost</u>
2022	4,178,897	750,000	10,562,808	15,491,705	151,975,639	
2023	4,366,947	750,000	11,180,327	16,297,274	151,499,651	5.2%
2024	4,563,459	750,000	11,831,272	17,144,732	150,340,586	5.2%
2025	4,768,815	750,000	12,517,443	18,036,258	148,415,455	5.2%
2026	4,983,412	750,000	13,240,732	18,974,143	145,633,571	5.2%
2027	5,207,665	750,000	14,003,133	19,960,799	141,895,904	5.2%
2028	5,442,010	750,000	14,806,750	20,998,760	137,094,393	5.2%
2029	5,686,901	750,000	15,653,795	22,090,696	131,111,205	5.2%
2030	5,942,811	750,000	16,546,601	23,239,412	123,817,925	5.2%
2031	6,210,238	750,000	17,487,624	24,447,862	115,074,697	5.2%
2032	6,489,699	750,000	18,479,452	25,719,150	104,729,290	5.2%
2033	6,781,735	750,000	19,524,811	27,056,546	92,616,094	5.2%
2034	7,086,913	750,000	20,626,574	28,463,487	78,555,038	5.2%
2035	7,405,824	750,000	21,787,764	29,943,588	62,350,424	5.2%
2036	7,739,086	750,000	23,011,568	31,500,654	43,789,672	5.2%
2037	8,087,345	750,000	23,024,805	31,862,150	22,641,970	1.1%
2038	8,451,276	750,000		9,201,276	0	-71.1%

Figures may not add due to rounding.

Appropriation payments assumed to be made on October 1 of each fiscal year.

Normal cost includes expenses of \$800,000 and is assumed to increase 4.5% per year.

FY22 appropriation maintained from the current schedule.